

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

IN RE:

Case No. 01-67459

FRANKLIN INDUSTRIAL COMPLEX, INC.,

Debtor.

IN RE:

Case No. 01-67458

CHRISTINE FALLS OF NEW YORK, INC.,

Debtor.

IN RE:

Main Case No. 01-67457

TRAFALGAR POWER, INC.,

Jointly Administered

Debtor.

NOTICE OF SELECTION OF STALKING HORSE BIDDERS

PLEASE TAKE NOTICE that:

1. On July 25, 2014 the United States Bankruptcy Court for the Northern District of New York entered a Sales Procedure Order (I) Approving (A) Sale Procedures in Connection with the Sale of Substantially All of the Debtors' Assets and (II) Setting the Date of the sale Hearing and (III) Granting Related Relief, (the "Sale Procedures Order" at Docket No. 1283). The Sales Procedure Order authorized the Debtors to conduct an auction to sell substantially all of their operating assets to the highest or best qualified bidders (the "Prevailing Bidders"). The Sale Procedures Order also established certain Sale Procedures that would govern the solicitation and acceptance of bids for the assets (the "Sales Procedures" at Dkt. 1283-1). The auction sale is scheduled to be held on September 16, 2014 (the "Auction"). A hearing on the sale of the

Debtors' assets will be held on September 18, 2014 at 2:00 p.m. in the Bankruptcy Court, U.S. Bankruptcy Court, Alexander Pirnie Federal Building, 10 Broad Street, Utica, New York (the "Sale Hearing"). At the Sale Hearing, the Bankruptcy Court will consider the sale of the Debtors' assets to the Prevailing Bidder(s)¹ and the assumption and assignment, and/or rejection of executory contracts and unexpired leases.

2. Pursuant to the Supplemental Sale Procedures Order for the Ogdensburg Facility and Forestport Facility (I) Approving (A) Sale Procedures in Connection with the Sale and (II) Setting the Date for the Sale Hearing and (III) Granting Related Relief, dated on or about August 27, 2014, the Ogdensburg and Forestport Facilities will be sold at auction in November, 2014 and the deadline for the submission of Stalking Horse Bids for those two (2) facilities is October 15, 2014.

3. Pursuant to the Sale Procedures Order, the Debtors, in consultation with Clearbid Capital, LLC ("Clearbid") and Algonquin Power Co. f/k/a Algonquin Power Income Fund ("APIF"), have selected the following entities as Stalking Horse Bidders for the purchase of the Debtors' Facilities as follows:

Lot	Description	Stalking Horse Bidder	Purchase Price	Bid Protections
1	Ogdensburg Facility	Deadline extended to Oct. 15, 2014		
2	Forestport Facility	Deadline extended to Oct. 15, 2014		
3	The Cranberry Lake Facility	ECOsponsible LLC	\$200,000.00	3% Break Up Fee
4	The Herkimer Facility	ECOsponsible LLC	\$70,000.00	3% Break Up Fee

¹ The Sale Motion provides for the sale of the Debtors' assets either in lots or *en bloc*.

5	The Kayuta Lake Facility	Ampersand Trafalgar Acquisition, LLC	\$250,000.00	3% Break Up Fee
6	The Adams Facility	ECOsponsible LLC	\$70,000.00	3% Break Up Fee
7	The Christine Falls Facility	Ampersand Trafalgar Acquisition, LLC	\$1,200,000.00	3% Break Up Fee

* bids on the Facilities at the Auction may be in separate lots or en bloc.

4. The Debtors have determined, in their reasonable judgment and in consultation with Clearbid and APIF, to conduct an Auction on **September 16, 2014 at 11:00 a.m. (prevailing Eastern Time) for the Cranberry Lake, Herkimer, Kayuta Lake, Adams and Christine Falls facilities**, to be held at the offices of counsel to the Debtors, Harris Beach PLLC, 333 West Washington Street, Suite 200, Syracuse, New York 13202, or such other location as may be designated by the Debtors' counsel, and to adopt additional procedures with respect thereto. Accordingly, the following additional procedures will be utilized at the Auction and shall supplement, and supersede to the extent inconsistent with, the Sale Procedures.

5. The Stalking Horse Bids referenced above will serve as the Baseline Bids for the Facilities subject thereto. Bidding increments on each Facility will be announced at the Auction.

6. Notwithstanding anything to the contrary in the Sale Procedures Order and Sales Procedures, a Qualified Bidder that wishes to submit a Bid may attend the Auction, provided that such party has received written confirmation from Clearbid that it is a Qualified Bidder and sends an e-mail to lchrissey@harrisbeach.com by **12:00 noon (prevailing Eastern time) on September 15, 2014** indicating the identity of the party and the names of any individuals that

will be attending the Auction, and setting forth the Debtors' Facilities that that party anticipates being subject to its Bid at the Auction.


7. Potential Bidders are encourage to contact the Debtors' investment banker, Clearbid Capital LLC (David Hartheimer, President, e-mail: david@clearbid.com) in advance of the Auction with any questions or information requests. Potential Bidders may obtain copies of the Asset Purchase Agreements for each of the Facilities upon request to Clearbid.

8. The Debtors intend to enter into the transactions contemplated by the Stalking Horse Bids (following Bankruptcy Court approval thereof and satisfaction or waiver of any condition precedent to consummation of such transaction) *unless* a higher or better Bid (or combination of Bids) is submitted at the Auction with respect to the Facilities subject thereto, as determined by the Debtors in consultation with Clearbid and APIF.

9. The dates set forth herein may be adjourned from time to time without further notice other than by announcement of the adjournment in open Court or at the Auction and/or the filing of a notice of adjournment on the Court's docket.

Dated: August 27, 2014

HARRIS BEACH PLLC
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